

SECURITY INFORMATION

CENTRAL INTELLIGENCE AGENCY

20 August 1953

SUBJECT: TERMS OF REFERENCE: SE-51: THE SIGNIFICANCE OF THE
NEW INDONESIAN GOVERNMENT

THE PROBLEM

To estimate the significance of the newly established government in Indonesia with particular reference to indications of probable future trends.

A. HOW DID THE PRESENT GOVERNMENT COME TO POWER?

1. What caused the former (Wilopo) government to fall? What were the positions of the major parties regarding the formation of a new government after the fall of the Wilopo cabinet? What were the important factors in the failure of the formateurs prior to Wongsonegoro, and why was he able to succeed?

2. What role President Sukarno played during the Cabinet crisis? Why was the present government accepted by Sukarno? Does his acceptance of this leftist government indicate a change in his political orientation? Have his actions affected his position in Indonesia?

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3. What has been the role of Vice-President Hatta?

B. WHAT HAVE BEEN THE POLITICAL TRENDS IN INDONESIA SINCE 1948. IN:

1. the Parliament; and
2. the political parties and labor organizations?

C. WHAT IS THE POLITICAL COMPOSITION AND STRENGTH OF THE NEW GOVERNMENT?

1. What is composition of the new government? What are the relationships of the Cabinet and one another and what are their individual relationships with Sukarno and Hatta?

2. What is the extent of the support for the new government in the:

- a. Parliament
- b. Civil service
- c. Armed forces and national police
- d. General public.

3. To what extent does the new government enhance the ability of the Communists to influence policy? What is the Communist strength or ability to influence policy and action in the following:

- a. Parliament
- b. the Cabinet
- c. the leadership of the armed forces and the national police force
- d. the permanent staffs in the ministries and governmental departments
- e. the Nationalist Party; other parties

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f. the labor movement?

What is the potential for Communists to increase their influence in these various governmental organs and political groups?

4. What are the capabilities of the opposition to affect the position of the new government with respect to program and longevity? What tactics are they likely to adopt?

D. WHAT POLICIES WILL PROBABLY BE ADOPTED BY THE NEW GOVERNMENT?

1. With respect to domestic issues and problems:

- a. Development of national defense policy and laws and the reorganization of the military forces, including the solution to the "17 October affair."
- b. Suppression of dissident groups, principally the Darul Islam and the insurgents in the South Celebes.
- c. The holding of national elections.
- d. Estate policy, particularly with respect to resettlement of squatters in North Sumatra and to possibility of nationalization of estates.
- e. Other economic policies.

2. With respect to issues and problems involving Indonesian external relations:

- a. continued acceptance of US assistance;
- b. ratification of the Japanese peace treaty;
- c. position with respect to Communist Chinese UN membership;

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- d. continuation of the Netherlands-Indonesian Union and the Round Table Agreements;
- e. political and economic relations with Soviet Bloc countries;
- f. position with respect to existing and possible new foreign investment;
- g. others.

E. DOES THE NEW GOVERNMENT REPRESENT A SIGNIFICANT CHANGE IN THE POLITICAL TREND IN INDONESIA?

F. WHAT WOULD BE THE PROBABLE COURSE OF DEVELOPMENTS IN INDONESIA OVER THE NEXT SIX MONTHS IF THE NEW GOVERNMENT WERE TO:

1. Seek rapid implementation of the program outlined in Section D above;
2. Seek to implement its program over a six months period or longer, meanwhile seeking to replace leaders in the armed forces and key personnel in the ministries with persons loyal to the new government?

G. WHAT IS THE LIKELY DURATION OF THE NEW GOVERNMENT? WHAT WOULD BE THE PROBABLE COMPOSITION OF A SUCCESSOR GOVERNMENT